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## FACTS, ESTIMATES, AND PROJECTIONS

(Draft prepared 1 May 1961 by combined INR-ONE working group)

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## SUMMARY

## I. THE PRESENT SITUATION IN CUBA

## A. The Armed Forces

The armed forces of the Castro regime number some 250,000, of whom some 200,000 are militia. The regular forces -- army, navy, air, and national police -- have been shaken by purges of officers and men who previously supported Castro against Batista but later became disillusioned by events in Cuba. Castro distrusts the armed forces and has built up the militia, thereby reducing his dependence on the military.

Bloc arms deliveries and intensive training have increased the military capabilities of the army, but its tactical training is still deficient. The militia is composed of people who generally serve only part-time, subject to call in an emergency, but some full-time militia units are now being formed and trained. The latter are, in effect, units of a second, more politically-reliable army. The air force and navy suffer from a lack of professionally trained and technically qualified personnel.

## B. Control Mechanisms

In little over two years the Castro regime has established a complex of interlocking mechanisms enabling it to control virtually every phase of life in Cuba. This has been accomplished by imposing leadership loyal to the regime on every local and national organization of any importance, by regimenting the economy, by creating an elaborate internal security apparatus, and by seizing all major newspapers and radio and TV stations.

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### C. Attitudes of Key Individuals

Every key national figure in Cuban society, with the notable exception of the Catholic hierarchy, is by now either a dedicated supporter of communism and the Castro regime or a non-Communist so deeply committed to the regime as to be unlikely to turn against it.

### D. Class and Regional Attitudes

The upper class has been destroyed as an effective political or economic force in Cuba. The middle class, which has suffered most from deteriorating economic conditions and the increasingly tight controls imposed by the government, provides the principal organized opposition to the Castro regime.

Attitudes of the lower class toward the regime are dependent upon the degree to which Castro has fulfilled his promises, the degree of hope remaining for the future realization of as yet unfulfilled promises, and the extent of psychological identification with the Revolution. It is that part of the newly self-conscious lower class which has already received positive benefits from the Revolution, or still hopes for future improvement in conditions, that now provides the real mass support for the Castro regime. This group of perhaps 25 percent to 30 percent of the total population probably constitutes the poorest segment of the large Cuban lower class.

By no means all of the Cuban lower class can be considered to favor the Castro regime. The failure of the government to carry out many of its earlier promises has led to increasing disappointment and dissatisfaction. This does not mean, however, that there has been an equal increase in willingness to act against the regime.

### E. Economy

The Cuban economy continues to deteriorate both in terms of physical output and in living levels. Output in the industrial sector has been adversely affected by parts and raw material shortages, although sugar production may match or exceed last year's

level and the regime is making strenuous efforts to expand agricultural production. Cuba's trade has been redirected largely to the Soviet Bloc, whose economic support is vital for the Castro regime.

## II. PROBABLE TRENDS WITHIN CUBA, ASSUMING NO MAJOR US INTERVENTION

### A. Political Prospects

Six Months. The position of the Castro regime has been strengthened by the recent invasion victory. It is probable that there will be no major change in internal political conditions during the next six months. Anti-Castro activity within Cuba will be muted as a result of the defeat of the invasion force. Castro may take advantage of his recent victory to organize a full-scale campaign against anti-Castro forces, or he may use the coming period of relative calm as a means of establishing a reputation for forbearance in the face of armed provocation. Indications are that he will probably follow the latter course. He will, in the immediate future, take advantage of his increased strength within Cuba to seize the Church's educational system, and banish two-thirds of the clergy (the non-Cuban proportion).

One Year. The psychological impact of the recent Castro victory will have worn off and living conditions will not have improved perceptibly. Organized anti-Castro opposition will probably have stepped up its sabotage activities, but morale may be weakened by the apparent hopelessness of the battle against the regime.

Castro will have strengthened his position within the military and extended his control over the Cuban people. Police state methods will have become more effective. The Cuban Communist Party (PSP) will play a more open role in the government, but will not attempt to attain the open exercise of total power.

Five Years. All effective opposition to the regime will probably have been eliminated. Popular attitudes will also have changed. As economic conditions improve, the population will more easily reconcile itself to repugnant political controls. In addition,

an extended period in which to indoctrinate the populace will almost certainly result in a significant increase in emotional and psychological identification with the regime.

Governmental controls will have become pervasive and effective. Increased efficiency of control agencies plus an extension of these controls into all aspects of Cuban life will make dissidence almost totally ineffective irrespective of any possible rise in popular antipathy for the regime beyond that foreseen.

#### B. Probable Trends in the Armed Forces

With continuing material and technical assistance from the Bloc and with further military training and political indoctrination, under Bloc tutelage, the combat effectiveness of the Cuban armed forces will substantially increase. The Bloc will probably provide some MIG-17's when Cuban pilots training in Czechoslovakia return home. However, the buildup of a sizable jet air force in Cuba will probably be a slow process as compared with the improvement of the army. Nonnuclear air defense missiles may be supplied to Cuba, but the Bloc will not supply offensive type missiles nor nuclear weapons. The solution of the navy's immediate problem depends on the pace at which politically reliable personnel can be technically trained with Bloc assistance. That will take time, and it appears that nothing much is being done about it now.

#### C. Economic Prospects

Six Months. The economy will deteriorate further, although not sufficiently to jeopardize the regime's stability. The end of the sugar season will mean a general decline in economic activity. Problems in selling sugar in the world market, other than the Bloc, may cause further foreign exchange problems, although the Bloc will move to supply essential requirements.

One Year. Another sugar season and anticipated expansion of industrial plants with Bloc assistance will bolster the economy, although Cuba will still be heavily dependent upon its foreign sugar sales, as yet unpredictable.

Some of the major supply and technical problems will have been overcome, and aggregate production may be on the upswing. Consumer austerity will still be in force, although consumption levels of the lower classes especially the rural population may increase slightly.

Five Years. Cuba's natural resources and Bloc economic assistance form the basis to permit Cuba to accomplish much of its five-year plan. This would mean greater economic independence, through increased self-sufficiency, less dependence on sugar, near-full employment, and gradual economic growth.

### III. CUBAN VULNERABILITIES

#### A. Economic

Economic vulnerabilities of the Castro regime include its foreign exchange position, spare parts and raw materials shortages, lack of sufficient technical and managerial personnel, declining per capita income, and consumer shortages and the growing black market. Imposition of the Trading with the Enemy Act against Cuba (which would inter alia reduce Cuba's foreign exchange earnings from the US and would extend the US export embargo to all products)

would aggravate these problems, though not sufficiently, by themselves, to jeopardize the regime's stability. The Bloc would act to assist Cuba by providing minimum essentials and possibly supplying some foreign exchange. A complete blockade would cause serious economic breakdowns, especially in the urban and industrial sectors.

The possibilities of a direct Soviet-US confrontation in the event of a blockade, and the impact of such action on our international position, are not considered in this paper.

#### B. Political

Popular resentment against the totalitarian controls imposed by the regime has steadily increased.

The hold of the regime depends in large part on control of mass communications media.

#### IV. RELATIONS OF CASTRO WITH LATIN AMERICA

##### A. Nature and Extent of the Threat Posed by Castro

The threat posed by the Castro regime in Latin America stems from its inherent appeal to the forces of social unrest and anti-Americanism at a time when most of the area is in the throes of a fundamental transformation. Castro and the Communists have made assiduous efforts to capitalize on this situation. Cuba has become the center of a propaganda and subversion campaign of unprecedented proportions in Latin America. Both Castro and the Communists see the Cuban revolution not as an end in itself but as the prototype of a transformation which will eventually sweep over all of Latin America. Given the chaotic stage of Latin American politics pro-Castro elements have a significant capability for stirring up demonstrations and disorders in a number of countries, and in a few an outside chance of gaining power in the next few years.

##### B. Present Attitudes Toward Castro

In the aftermath of the recent invasion of Cuba, Latin American attitudes toward Castroism have become more fluid. Ruling groups are temporarily more fearful of the Soviet thrust in the hemisphere and less fearful of popular reaction in support of Castro.

The OAS is now less hostile to US intervention in Cuba than before the invasion, but a majority of its members is still not prepared to intervene in Cuba.

### C. Probable Developments in the Absence of US Intervention

The danger is not so much that subversive apparatus centered in Havana will be able to export the revolution directly as that increasing misery and discontent among the mass of the Latin American people will provide opportunities for pro-Castro elements to act. The Cuban-Communist political warfare apparatus can obviously do much to further the process, however.

In the absence of direct Cuban intervention in the internal affairs of neighboring states, the present fears of Castroism among Latin American ruling groups will wane and the traditional nonintervention policies will be reasserted.

The Soviet Union is expected to counsel Castro to avoid overt actions which would provoke US counteraction or which could be interpreted by other Latin American governments as Cuban intervention in their domestic affairs.

### D. Effect on the US Position

The continued existence of the Castro regime would fundamentally alter the terms of Latin American relations with the US. US restraint would be interpreted by Latin American ruling groups as evidence of weakness.

The US would have to be prepared to underwrite huge welfare and economic development programs and to involve itself directly in their success, always under some threat of withdrawal of cooperation by the Latin American governments.

The expulsion of Cuba's Soviet-controlled regime would deprive the USSR of its bridgehead in the western hemisphere and would remove the model for action by extremist groups. However, the Soviets would still have a multitude of weaknesses to exploit, and would have achieved real gains over their early 1959 position.

THE REPORT

I. THE PRESENT SITUATION IN CUBA

A. The Armed Forces

1. General. The armed forces of the Castro regime number some 250,000, of whom some 200,000 are part-time militia. The regular forces -- army, navy, air, and national police -- have been shaken by successive defections and purges of officers and men who supported Castro's revolution against the Batista regime but were disillusioned by the subsequent trend of events in Cuba. The present commanders of these forces are selected for their dedication to the regime rather than for their professional competence; presumably they are reliable. Nevertheless, Castro distrusts the regular forces and has built up the militia at their expense, as a means of organizing armed popular support for the regime and thereby reducing his dependence on the military.

2. The Army numbers some 32,000 men, of whom about one-fifth are veterans of Castro's guerrilla operations against the Batista regime and the remainder are later adherents. It has been deeply disturbed by the defection of some of its revolutionary leaders and by Castro's evident partiality toward the militia. It is notable that the first formation encountered by the recent anti-Castro invaders proposed to join them. No others had the opportunity to do so.

3. Initially, the army was/singularly ill-equipped, untrained, and inexperienced force, except for the special and limited experienced of the guerrilla element. Since September 1960 its capabilities have been considerably enhanced by intensive training in the use of arms and equipment received from the Soviet Bloc. These Bloc deliveries have included medium and heavy tanks, self-propelled assault guns, field and antiaircraft artillery, large numbers of military vehicles, and ample quantities of infantry arms and ammunition. Even so, the army's tactical training is still deficient. In the recent action it suffered severe casualties because of its tactical ineptitude.

4. The mobile combat elements of the army have been organized into three combat commands concentrated in or near Havana, Santa

Clara, and Santiago. Each of these combat groups includes an infantry regiment, a tank battalion, and an artillery battalion, and numbers about 6,500 men. A fourth such group is being formed in a "redoubt" in the Sierra Maestra. In addition, some 10,000 troops are deployed in small posts throughout Cuba as rural police.

5. The National Police number 9,000 men stationed in the principal cities of Cuba (4,000 in the Havana area). They perform normal urban police duties, but also have a considerable paramilitary capability for coping with urban disturbances.

6. The Militia numbers some 200,000 men and women organized into companies and battalions. The original militia units were composed of enthusiasts fanatically loyal to Castro and to his postrevolutionary program. Subsequently, units have been formed on a residential or occupational basis, in circumstances which would make a refusal to "volunteer" prima facie evidence of counterrevolutionary sentiments. Consequently, these latter units may include many unenthusiastic persons. The officers of the militia, however, are selected for revolutionary zeal and are put through rigorous OCS-type training and political indoctrination.

7. The militia generally serve only part-time, subject to call in an emergency. They are armed with light submachine guns effective for occasional use at short range, but not for sustained combat. However, a number of part-time militia units are composed of guerrilla veterans and could be considered combat-worthy. In addition some full-time militia units are now being formed and intensively trained with heavier weapons, including artillery. They are, in effect, units of a second, more politically reliable army.

8. Perhaps as many as 10,000 militia have been employed full-time in operations against a relatively few anti-Castro guerrillas in the Escambray. Their operations, however, have been essentially passive. By their numbers, they have effectively cordoned off the area, but they have not aggressively gone into the mountains after the guerrillas.

9. The Air Force. Successive defections and purges have left the air force with few qualified pilots or other trained personnel. Most of its aircraft are inoperable for want of maintenance and spare parts. The force has, in effect, no combat organization. Individual sorties are laid on as individual aircraft and pilots are available. In the recent emergency, Castro

was able to commit to combat only 6 aircraft -- 2 B-26's, 2 Sea Furies, and 2 T-33 jet trainers -- plus a number of helicopters. The effectiveness with which these few aircraft were used suggests that they may have been flown by Bloc military technicians rather than by Cuban pilots.

10. The Navy. Successive defections and purges have left the navy also with few professionally trained and technically qualified personnel. Most of the ships are nominally operational, with reduced crews well guarded by militia, but are relatively inactive. On the other hand, a few small patrol craft and about 20 confiscated pleasure craft are actively engaged in coastal patrol, manned principally by militia.

## B. Control Mechanisms

11. In little over two years the Castro regime has established a complex of interlocking mechanisms enabling it to control virtually every phase of life in Cuba. It has accomplished this by imposing leadership screened by the regime on every local and national organization of any importance, by regimenting the economy in the of the state, and by creating an elaborate internal security apparatus with agents placed throughout Cuban society. While leaving much to be desired in terms of tight organization, the security network, under the direction of local Communists and with guidance from Communist Bloc technicians, has proven its effectiveness in neutralizing or eliminating resistance. The arrest of some 20,000 or more Cubans immediately after the abortive opposition landing in mid-April is indicative of the extent to which the security services kept tab on the population and were prepared to move swiftly.

12. For some time, all major newspapers and radio and TV stations have been instruments of the state. The regime has purged the public education system of dissidents, and reordered this system in support of its objectives; private and Catholic schools are being harassed into shutdown or submission. Leadership considered reliable by the regime has been installed in labor organizations and

student circles; dissenters have been eliminated or silenced. The regime has intimidated or broken up all political groupings that might have opposed it. Only the Communist Party has complete freedom of action, and its well-organized apparatus in labor, student, and intellectual circles is dedicated to the regime.

13. By means of the Urban Reform Law the state has in effect acquired ownership of all rental property and extended its control over both owner and tenant. State operation of the banking system, large business enterprises, and utilities permits it to control practically all commercial life in the city. The state has also seized most large industrial enterprises. Agents of the Army G-2 (the Secret Police) working alongside the National Police are on duty in every city and town in Cuba. Moreover, informants for the State (from the civil militia) are in nearly every city block, apartment house, or group of residences.

14. Many Cuban farm workers are now under the orders of the National Agrarian Reform Institute (INRA), which controls the vast majority of farm and pasture lands and operates state farms and people's stores. Under army control, mobile rural police units with excellent communications equipment are spread throughout the countryside. Thus, through INRA officials (many of whom are also from the

army) and the rural police, the regime now effectively dominates all social and economic life in rural areas.

15. To tighten its hold on the Cuban populace, but also to counterbalance the army and the National Police, the Castro regime has over the past year or so brought some 200,000 Cubans into the paramilitary Revolutionary National Militia. Virtually a cross-section of the Cuban population -- including urban laborers of all categories, government employees, professional men, students, and peasants -- the militia is subject to heavy indoctrination and is obviously intended to provide the regime with a reliable source of popular and military support. Although the militia's equipment and overall military effectiveness are generally inferior to those of the army, most if not all militiamen have been issued at least sidearms and training for their employment in events of civil disorder or invasion is progressing, probably at an increased pace since the opposition landings.

#### C. Attitudes of Key Individuals

16. Nearly every key national figure in Cuban society, with the notable exception of the Catholic hierarchy, is by now either a dedicated support of communism and the Castro regime or a non-Communist

so deeply committed to the regime as to be unlikely to turn against it. Over the past two years, virtually all the leading personalities who had come to oppose Castro have either defected and fled or have been eliminated by the regime's energetic purges throughout the government and Cuban society; a new purge brought on by the April invasion is in progress. As a result, even those key officials who appeared to be primarily technicians rather than fervent advocates of the regime -- e.g., Foreign Minister Raul Roa and the new chief of the National Bank, Cepero Bonilla -- are probably too deeply committed by now to abandon the regime. Communists holding positions of considerable stature such as Jesus Soto, head man in Cuba's labor confederation, and those supervising the communications media and commanding the army and its intelligence operations are among the most devoted to the cause of the regime. While some additional individual defections are certain to occur -- as exemplified by the sudden flight to Mexico of Cuba's top anti-US radio commentator, José Pardo Llada, early this year -- it seems unlikely that many other key officials will do so.

D. Class and Regional Attitudes

17. Attitudes toward the Castro regime in postinvasion Cuba are determined (as they were prior to the invasion) primarily on the basis of class or interest rather than upon regional location. Similar classes and interest groups in Cuba have essentially similar points of view, regardless of geography. Regional attitudes in Cuba today are determined principally by the size or influence of the class or interest group in a given locality, rather than by peculiarities.

18. The Upper Class -- During the past two years the Cuban upper class has been virtually destroyed as an important political or economic force. The regime's agrarian reform program, with its destruction of the latifundia, and the nationalization of most foreign and nationally owned business and industry have effectively eliminated this group as an important element in the Cuban class structure. That small portion of the upper class which has seen fit to remain in Cuba is almost totally opposed to Castro, but represents no threat to the stability of his government.

19. The Middle Class -- The attitudes of the Cuban middle class toward the Castro regime have changed significantly in the

past two years. The middle class as a whole welcomed Castro, hoping for an end to the corruption of the Batista period and a return to stability. However, as the Revolutionary Government undertook its drastic reordering of Cuban economic and political institutions this hope changed first to uncertainty and then to outright opposition. It is the middle class which has suffered most from deteriorating economic conditions and the increasingly tight controls imposed by the government, and which has been most aware of the dangers of the regime's political course. Today, as a consequence, the principal organized opposition to Castro comes from those elements of this class which have suffered most from the "new order."

20. Under Batista the labor union movement, particularly in Havana and other urban centers, grew into a large and well organized force with wide political and economic influence. Cuban organized labor, still a minority of the total work force, benefited from this new position in increased salaries, better working conditions, and assurance of a more secure future. Urban organized labor, in short, achieved middle class status or something close to it.

21. Under Castro the labor movement has lost many of the advantages it previously possessed. Employees now work longer hours

for less pay; in addition to their normal work they must serve in the militia with no pay; they must contribute a part of their salary to the State for so-called development projects; and control over the national labor confederation and most individual unions has been assumed by the government. The loss of previous economic advantage and control of their unions, exacerbated by the deteriorating economic situation, shortages of consumer items, and the imposition of ever stricter police-state controls, has led to an increasingly strong anti-Castro feeling within organized labor. Control of most unions is now in the hands of government imposed pro-Castro officials, many of whom are Communists. Such domination makes possible an outward show of labor support for the regime, but the continuing sabotage of industrial facilities, much of it carried on by the workers themselves, belies appearances. Because of the damage which many of these workers are in a position to inflict on vital industries (power facilities, etc.) they continue to be a potential threat to the regime.

22. Most Cuban professionals -- doctors, engineers, lawyers, etc. / are also opposed to Castro. They too have felt the effects of changes instituted over the past two years. Consumer shortages, totalitarian controls, the Urban Reform Law (which declared all

urban property an appurtenance of the State), and other similar measures have resulted in increased dissatisfaction and anti-government sentiment.

23. Regime domination of student organizations and control of the universities have produced wide dissatisfaction among university Cuban students (most of whom belong to the middle class). The destruction of university autonomy -- sacrosanct in Latin America -- was in itself enough to turn many students against Castro. Disaffection may not be as extensive among Cuban students as it is in other sectors of the middle class, but it is nonetheless widespread.

24. The middle class, largely urban centered, is the principal source of active opposition to Castro. This opposition cannot express itself openly, because of the totalitarian nature of the regime, and because most middle class organizations are controlled by progovernment officials. However, there does appear to be a fairly well organized urban underground which is capable of inflicting damage to the regime through sabotage.

25. The extent to which this underground was damaged as a result of the arrests which took place following the invasion attempt

of 17-19 April is not clear. There is no doubt, however, that it was badly hurt

Unquestionably the anti-Castro forces throughout Cuba (including the underground) were badly demoralized by the failure of the invasion and by the effectiveness of Castro's internal security measures.

26. The Lower Class -- Lower class attitudes toward the present Cuban Government are far more difficult to define than those of either the upper or middle class. To a large extent they are dependent upon the degree to which lower class hopes in Castro and his promises of improved conditions have been realized. They are also dependent upon the degree of hope remaining for the future realization of as yet unfulfilled promises. Finally, there is the element of psychological identification with the Revolution. Previous Cuban governments generally ignored the immediate needs of the lower classes for better housing, better health facilities, land, expanded educational facilities, etc. Consequently, as Castro instituted programs avowedly aimed at providing these basic necessities the lower class came more and more to identify itself and its interests with those of the regime. There is still a widespread feeling that this is a revolution which, if not by the lower

class, is for that class. This new sense of importance has done much to make up for the fact that their condition has not yet improved as greatly as anticipated, and for the increasingly regimented existence to which the lower class is now subject. In fact, this regimentation -- service in the militia, membership in cooperatives, etc., -- may serve to reinforce identification with the regime by increasing the sense of participation and belonging, rather than to cause a reaction against increased government influence and control.

27. It is that part of the newly self-conscious lower class (principally the urban unemployed and the rural tenant farmer) which has already received positive benefits from the Revolution, or still hopes for future improvement in conditions, that now provides the real mass support for the Castro regime. This group of perhaps 25 percent to 30 percent of the total population probably constitutes the poorest segment of the large Cuban lower class. It is this group which has been least affected by consumer goods shortages, the failure of the regime to make more than token land redistribution, etc. The fact that many of them now work on co-operative farms and have a steady supply of food is, in itself, a positive improvement over previous conditions. The previously

unemployed (both urban and rural) now have at least some form of employment while serving in the militia.

28. By no means all of the Cuban lower class can be considered to favor the Castro regime, at least with the fervor of a year ago. The very limited land distribution thus far carried out, for example, has undoubtedly given rise to dissatisfaction on the part of many who had hoped to become landowners. It appears that the failure of the government to carry out many of its earlier promises, and decreased wages and income -- particularly over the past year -- have led to increasing disappointment and dissatisfaction among significant segments of the lower class. It does not necessarily follow, however, that there has been an equal increase in willingness to act against the regime. The reaction can probably be best characterized as one of increasing apathy. A slowly but steadily increasing part of the lower class has probably reached a point where it will neither act for nor against the regime. This is much the same kind of reaction which Castro encountered in 1956 when he landed in Oriente Province and began his guerrilla activities against Batista.

29. Lower class disappointment in the regime, with a concomitant increase in either apathy or anti-Castro attitudes is not

peculiar to any particular region, but may be somewhat stronger in the provinces of Los Villas and Oriente.

29. If Castro can convince the lower class that any government which replaces his will seek to return to the status quo ante he may be able to counteract much of the increasing dissatisfaction and generate increased support for his regime. For their part, the anti-Castro forces, in order to win significant sympathy and support from the lower class, will have to convince this group that most of the basic social and economic reforms of the Castro regime will be retained and that many of the unfulfilled promises he made will be carried out. In seeking to gain such sympathy and support the oppositionists will have to move carefully to avoid losing the sympathy of other elements of the population.

30. The New Class -- A new class, with a vested interest in the continuance of the Castro regime, has grown up in Cuba during the past two years. This group, with many of the attributes normally ascribed to a middle class, is made up of the bureaucrats who control the extensive governmental apparatus, the managers of government owned industries and cooperative farms, the officers of the militia, etc. This group knows that it can expect little from any government

which replaces Castro, and consequently will do its utmost to prevent the collapse of the regime. Although not significant in terms of numbers, this new bureaucratic -- managerial class is important to the efficient operation of both the government and the economy, and will become even more important and powerful as efficiency improves.

#### E. The Economic Situation

31. The invasion attempt had relatively little impact upon the Cuban economy although the mobilization of the armed forces caused a drain on fuel and transport resources and manpower.

32. Reliable data to measure the strength of the economy, as measured by levels of national income and physical output, are scarce, and much of the information available is from biased sources. However it seems clear that the economy has deteriorated considerably over the past year. The level of national income, which is greatly affected by the value of export sugar sales, has declined since the cut in the US sugar quota. The levels of physical output have apparently varied considerably by commodity, with sugar production being fairly well maintained but with the output of many other industries and services decreasing or halting under the impact of raw materials and parts shortages, continuing lack of adequate

coordination and management, and disruption in the normal flow of goods and services. Production is reported to have declined or halted in the tire, paper, steel, beer, container, and rayon factories, and to have been jeopardized in the battery factory and a cement mill. Most of these difficulties reflect lack of raw materials and to a lesser extent unavailability of spare parts and technical or managerial inefficiencies. In some instances it is expected that near-future shipments of raw materials, such as feldspar for the glass factory and carbon black for the tire factories, will enable these plants to resume production, at least temporarily. Proposed imports of tires from the Bloc will also reduce the severity of the tire shortage. Information is lacking on certain important industries, such as food processing and clothing manufacture, although in the case of the former the lack of containers may be causing a curtailment of manufacturing. The petroleum refineries have experienced recurring shutdowns because of lack of spare parts and difficulties arising from processing Soviet crude.

33. The situation in utilities, transport, and communication is more difficult principally because of shortages of necessary spare parts and the greater problem in securing replacements abroad

for US-made machinery. The main generator in the Havana plant of the electric utility company is reportedly out of commission and will be so for several months, although this loss of generating capacity will not be felt because of the decline in power demand. A great quantity of US-made motor vehicles, aircraft, rail locomotives, and agricultural and construction machinery is in disrepair, although extensive efforts are being made to secure replacement parts. A General Motors bus has reportedly been broken down into its components and shipped to Czechoslovakia as a model for the manufacture there of replacement parts. Breakdowns of communications equipment are also increasing, although imports of replacement parts from non-Bloc sources may provide a solution.

34. Although data on agricultural production are very scarce, the major crop, sugarcane, will apparently be harvested in sufficient quantity for manufacture into perhaps six million Spanish long tons of sugar.\* The Cubans have been important livestock and poultry to rebuild their herds and flocks after the losses suffered in these sectors through mismanagement in the first year of INRA. Given the government's emphasis on increased agricultural production and Cuba's

\* Estimates of Cuban 1961 sugar production vary between 4.5 and 7.0 million Spanish long tons. It is reasonable to assume a production of between 5.5 and 6.0 million tons, which is close to the 5.7 million ton average of the past two years.

natural resources, it is quite possible that crop production is being increased.

35. Cuba's foreign trade has suffered from a lack of foreign exchange attendant upon the redirection of its sugar trade and from general mismanagement in the transformation from a private to a state function. This latter problem appears to be in process of solution, aided by Guevara's trip to the Bloc in late 1960. Cuba is now, by its barter agreements, heavily dependent upon imports from the Bloc, and although these imports are not filling all of Cuba's needs, they are increasingly supplying a substantial portion. Cuba's foreign exchange reserves apparently remain seriously low, hindering its capability to secure needed industrial imports from non-Bloc sources. Its convertible foreign exchange position should be gradually improving with receipts from non-Bloc sugar sales, except that such sales have been so far quite limited. Sales of products other than sugar to the US are probably providing in excess of 25 percent of Cuba's foreign exchange from non-Bloc sources.

36. Cuba's economy is still suffering from managerial and technical deficiencies arising from the flight of skilled personnel abroad. It appears, however, that this is being gradually overcome

with Bloc assistance. Further, with the adoption of the five-year plan, drawn up largely by foreign advisors, and more effective coordination of resources, the waste and inefficiencies of the first two years are diminishing.

37. The most important aspect of the economy, however, over the short run, is how it affects political stability in Cuba. It appears that the government, through a relatively modest effort in economic development to carry out some of Castro's promises, was able to maintain or even enhance Castro's support among the lower classes. During the past two years the government has established a number of economic projects which, although below the level of economic development of the previous years, have been propagandized as designed for the lower-income classes. Progress has been notable in housing, farm cooperatives, public resorts and recreational areas, and roads.

38. From the standpoint of trends in popular support, the most important economic indicators -- employment, availability of consumer goods, wages and prices, and land distribution -- may be summarized as follows:

a. Unemployment is probably comparatively low right now, because of the upswing in seasonal employment from sugar harvesting

and because of mobilization of manpower for the armed forces. It appears also that the government has forcefully restricted the unemployment that normally would accrue from shut-down factories.

b. Much publicity has been devoted to shortages of consumer goods, and it is true that these shortages have occurred intermittently in basic necessities as well as durable goods and luxury items. However, there is sufficient food, and popular grumbling about these shortages should not be equated with willingness to engage in subversive activity. The low income Cubans have long been used to privation, and, as the base of Castro's popular support, may not be greatly affected by these shortages, especially if they are propagandized with the theme that all Cubans are suffering equally and that the US is to blame.

c. The decline in income of urban and rural workers, after an initial spurt during the first year of the Castro regime, is probably moderate compared to the income drop for the business, professional, and landowning classes. While much of organized labor has reacted strongly to this decline, a substantial portion of unorganized urban workers and the campesinos remain largely unaffected, partly because the Castro regime has managed to keep prices of basic necessities fairly well under control. However, black market practices appear to be becoming more prevalent.

d. The nondistribution of land to landless campesinos has been seized upon by the anti-Castro forces to indict the regime. However it appears that improvements in the rural areas or promises of such improvements may compensate the campesinos, especially those organized into cooperatives, for their failure to receive individual land titles. These improvements include better housing, community participation, more teachers, improved diet, etc. In some instances it might appear that campesinos organized in cooperatives are enjoying a higher level of living than the independent farmers. This of course can be manipulated by INRA through its monopolistic control of crop purchases and prices.

## II. PROBABLE TRENDS WITHIN CUBA, ASSUMING NO MAJOR US INTERVENTION

### A. Political Prospects

39. Six Months -- The position of the Castro regime within Cuba has been significantly strengthened by the failure of the mid-April invasion. This is principally the result of two factors: (a) the psychological effects of the Castro victory on the Cuban people as a whole and the security forces in particular; and (b) a marked decrease in the capabilities of the anti-Castro forces, both in exile and within Cuba. It is probable, therefore, that there

will be no major change in internal political conditions during the next six months. The Castro regime will certainly not fall during this period, nor is there any reason to believe that it will be faced with any major internal political crises.

40. Anti-Castro activity within Cuba will probably be muted, at least for the next several months, as a result of the losses and, perhaps more importantly, the demoralization suffered by the underground in connection with the invasion attempt. The regime may use this lessened internal pressure in either of two ways: (a) to take advantage of the weakened condition of the opposition to begin an attempt to root out all remaining organized anti-Castro forces through arrest of suspected members of the underground and a military campaign against guerrilla units known still to be operational, as in Oriente and Las Villas Provinces; or, (b) to use the period of relative calm as a means of establishing in the eyes of the world in general, and Latin America in particular, a reputation for forbearance in the face of armed provocation. Present indications are that the government, for the time being at least, intends to follow the latter course. Captured members of the invasion force have not yet been brought to trial or executed, as originally threatened by Castro, and there does not appear to be any indication that the regime intends to initiate an intensive

campaign to crack down on remaining anti-Castro guerrilla and underground forces. In any case Castro does not possess the military or economic capability to completely destroy opposition forces within this six-months period.

41. This more careful pace will probably continue for most of this period (assuming no great increase in opposition activity) for two reasons. First, neither Castro nor the Soviet Union wishes to provide the US with any pretext for intervention. Second, it is probable that executions at this time would have a decidedly adverse effect on the Castro image in Latin America. Since the regime wishes to encourage Latin American pressure on the US against intervention, it is unlikely that any action will be taken which might jeopardize Cuba's already weakened standing in the Hemisphere.

42. There is, however, one possible area in which the regime may seek to expand its already extensive domination of Cuban institutions. Castro may take advantage of his increased strength within Cuba to seize the Church's educational system. It has been evident for some time that parochial schools and universities were high on Castro's list of priority targets, but he evidently has not felt sufficiently strong in the past to offer such a direct

challenge to the Church. He now believes himself strong enough to make the attempt. He has declared that within a few days he will issue "laws" banishing foreign priests (who make up two-thirds of Cuba's Catholic clergy) and nationalizing all private schools and universities, most of which are operated by the Catholic Church.

43. The next session of the United National General Assembly is scheduled to begin at approximately the end of the six-months period under consideration. During this session it is possible that Cuba may demand that the US withdraw from the Guantánamo Naval Base, arguing that the US has no moral right to retain, and Cuba no moral obligation to permit, a military base on its territory in light of the admitted support given by the US to an armed attack against Cuba. Castro is highly unlikely to take any direct action against the base. However, the Cubans may contrive incidents with the aim of stimulating international pressure against the US presence at Guantánamo.

44. One Year -- Beyond the next six months, the psychological impact of the recent Castro military victory will have worn off and living conditions will not have improved perceptibly. The organized opposition will have recovered from the blow it suffered at the time of the invasion (assuming no effective Castro campaign

against guerrilla and underground units in the meantime) and will have stepped up its sabotage activities. However, the morale of the opposition may have begun to weaken in the face of the regime's apparent ability to withstand all pressures short of direct US intervention.

If it appears to the anti-Castro rebels that the US is disposed to accept the continued existence of the present Cuban Government many of them will probably decide that they have little or no chance of success and will give up the unequal struggle. Those who do continue to fight will probably do so principally out of desperation. A belief in the hopelessness of the battle will probably not have become widespread among guerrilla and underground units within a year (unless all outside aid has been cut off for some time) but the seeds of doubt will have been sown.

45. If guerrilla units appear to be increasing in strength during this period the regime will probably mount a major operation against them along the lines of the reasonably successful early 1961 campaign in the Escambray Mountains. Army and militia units will probably still not be capable of wiping out internal opposition forces, but the training that they will have received

during the year will certainly produce a much more effective force than exists today. The loyalty of the armed forces will also have been strengthened as a result of indoctrination and training. Chances of heavy desertions and defections in the event of serious military operations will be greatly reduced.

46. In addition to the government's strengthened position within the armed forces, Castro will also have extended his control over the Cuban people. Police state methods will be more effective as they become more efficient; the economy will be more completely under the domination of the regime; indoctrination and propaganda will have had another full year to shape and direct public opinion; and the Cuban Communist Party (PSP) will have extended nearly total control over the economic and political bureaucracy.

47. The PSP will begin to play a more open role in the regime. Its members, who already occupy important positions within the bureaucracy, the militia, the National Institute of Agrarian Reform (INRA), and other important institutions will be more ready

to identify themselves as Communists and to acknowledge their role in the government. The PSP has shown increasing dissatisfaction with Moscow's apparent instructions to remain in the background and to seek the substance of power without exercising it openly. However, the party will probably not, during the next year, stray too far from these instructions.

48. Five Years --- If the present Cuban Government, by whom-ever led, is still in power five years from today power relationships will have changed drastically. It is probable that all effective opposition to the regime will have been eliminated. The Cuban armed forces will probably be strong enough to destroy any opposition units considered to be of sufficient importance to attack. More important, the situation will have become so hopeless that most potential opposition, by the end of the five-year period, will have reconciled itself to the regime. In this respect conditions within Cuba will have come to resemble those of the Dominican Republic where the opposition is either in exile, has been killed, or has accepted, until the last two years, the continuance of the dictatorship.



49. Popular attitudes toward the regime will also probably have undergone significant change over the five-year period. As economic conditions improve that portion of the population which has been most affected by consumer shortages, etc., will more easily reconcile itself to repugnant political controls. Those sectors of the population which have benefited the most from improved conditions -- principally today's lower class and the new managerial class -- will be even more devoted to the regime than they are at present. In addition, an extended period in which to indoctrinate the populace as a whole, and more importantly, particular segments thereof (youth, the armed forces, etc.), will almost certainly result in a significant increase in emotional and psychological identification with the regime.

50. Although there will probably be an increasingly strong popular reaction to the ever more effective totalitarian controls imposed by the regime, this reaction will probably not counter-balance the formation of pro-regime attitudes arising from better economic conditions and increased indoctrination.

51. Governmental controls will have become more pervasive and effective during the period of this estimate. Increased efficiency of control agencies plus an extension of these controls

into all aspects of Cuban life will make dissidence almost totally ineffective irrespective of any possible rise in popular antipathy for the regime beyond that foreseen.

52. A major change may have taken place in the relationship between the PSP and the regime by the end of this five-year period. Again assuming a relative power balance between the US and the Soviet Union, it will probably remain true that the Bloc, even in five years, will not want to see an openly avowed Communist state in Cuba, nor will they want the PSP to seize power openly. The Soviet Union will probably consider such moves as too openly provocative toward the US and an invitation to intervention. They may also view an open declaration of Communist control in Cuba to be a threat to the Soviet's broader interests in Latin America, Asia, the Middle East, and Africa. However, it is problematical whether the PSP will be content to accept those restrictions -- particularly over the long run. The party may well demand a more clearly Communist state openly controlled by the party. Such demands might be voiced with even less hesitancy if as is quite possible the PSP is supported in this regard by the Chinese Communists. In any event, the Cuban Communist will probably be in effective control of all the important sources of power in Cuba.

B. Probable Trends in the Armed Forces

General.

53. With continuing material and technical assistance from the Bloc and with further military training and political indoctrination, under Bloc tutelage, the combat effectiveness of the Cuban armed forces will substantially increase. With the passage of time, any seriously disaffected persons remaining in service are likely to defect individually or to be identified and eliminated. Others will tend to accept the situation and the political indoctrination which justifies it, and to take pride in their service in the most formidable military force ever seen in Cuba, or indeed in Latin America.

54. The army is already well provided with Bloc arms and equipment, and partially trained in their use. Further training under Bloc guidance, to include tactical and combined arms training, will greatly enhance its combat effectiveness. The same considerations would apply to the full-time militia units, which are, in effect, politically elite army units.

55. The Militia. By definition, the bulk of the militia must remain part-time soldiers, stronger in numbers and political motivation than in military skill. Continued military training and

political indoctrination, however, will necessarily increase their effectiveness within their limited role.

56. The air force at present, lacks both trained personnel and modern aircraft. To date, the Bloc has supplied only a dozen short-haul utility transports and some 30 helicopters; there are almost certainly no MIG's operational in Cuba. About 100 air force personnel are in training in Czechoslovakia, but they were selected for political reliability, without much prior technical training -- the completion of their training will therefore take some time. Most of them will probably not be ready to return to Cuba until the end of this year, although some may return sooner. Whenever they do return, the Bloc will probably supply some MIG-17's for their use. However, the buildup of a sizable jet air force in Cuba will probably be a slow process as compared with the improvement of the army.

57. The navy lacks, not ships, but technically qualified personnel to man and maintain those which it now has. Eventually the Bloc may supply more modern ships to replace those now available, but the solution of the immediate problem depends on the pace at which politically reliable personnel can be technically trained with Bloc assistance. That will take time, and it appears that nothing much is being done about it now.

58. Missiles and Nuclear Weapons -- Although the Bloc may eventually supply Cuba with nonnuclear air defense missiles, it is highly unlikely that it would supply offensive type missiles in view of the provocation this would offer to the US and other Latin American states. It is virtually certain that the Bloc would not supply nuclear weapons to Cuba, even for air defense. It is also highly unlikely that the USSR would seek to station Bloc forces in Cuba.

#### C. Economic Prospects

59. Six Months -- The next six months will probably see some deterioration in the viability of the economy and in living levels, but not enough, by itself, to endanger the stability of the Castro regime. The sugar harvesting and grinding season ends by mid-year, at which time nearly all levels of economic activity, especially employment, decline. The level of investment in economic development projects is apt to be low, with very few of the new industrial plants to be provided by the Bloc scheduled for 1961 delivery. Although the Cubans may receive from the Bloc an increasing percentage of raw material requirements which have been in short supply over the past six months, it is doubtful that they will make much progress in

securing replacement parts for their industrial plant in this period. Additional breakdowns will occur, especially in the vital power, transport, and communications sectors, which would have a further impact on manufacturing.

60. Cuba's foreign exchange situation will depend upon its ability to market sugar -- above the four million tons destined for the Bloc -- in the world market and to continue selling nonsugar commodities to the US. However, if it appeared that lack of foreign purchasing power because of poor export ability was seriously jeopardizing Cuba's essential imports from non-Bloc sources, it is likely that the Bloc would provide the wherewithal to tide Cuba over the crisis. This additional Bloc support could take the form of accelerated deliveries from Bloc countries or a minimal amount of convertible exchange for Cuba's use in free world markets. It is not likely that there will be much relief in consumer goods austerity through imports, with the precious available foreign exchange being utilized for production goods imports to keep plants and farms running.

61. One Year -- One year from now will see the Castro regime near the end of its second state-directed sugar season and well into

its five-year plan. Although productive diversification, especially in agriculture will have increased, Cuba will still be vitally dependent upon the sugar industry as the chief livelihood of its citizens and as the main source of foreign exchange earnings. Thus again the most important factor in Cuba's economic health would be its ability to produce and sell at a good price a large quantity of sugar. Even assuming a repetition of the Bloc offer to purchase, on 1961 terms, four million tons of sugar in 1962, Cuba would still need to sell additional sugar to the world market to earn exchange for non-Bloc imports. It is of course quite impossible to predict the world sugar market one year in advance. It is possible, however, that neglect of sugar cultivation during the past year will restrict Cuba's 1962 sugarcane potential. While this would be a depressing factor on the domestic industry, it is possible that carryover stocks from 1961 will be sufficient to meet any likely demand for Cuban sugar, barring a serious drop in world sugar production.

62. Other than the sugar situation, which will still be the governing factor in Cuba's economy, it is likely that an otherwise improved agricultural sector could provide a larger portion of Cuba's food requirements with a margin for slightly increased exports of

processed foods. With the notable exceptions of fats and oils, flour milling, and milk processing, Cuba's food-processing industry would not require much additional investment to meet these goals. It is probable that construction undertaken on Bloc factories scheduled for late 1961 and especially 1962 delivery would provide a considerable stimulant to the economy, especially in absorbing employment and creating demand for production and consumer goods.

63. It is likely that import priorities will still be allocated for production goods and that consumer austerity will remain in force. It is possible, however, that increased domestic production of lower class consumer goods will provide a slight rise in consumption levels for low-income groups, especially the rural population. At the same time considerable effort will be directed to maintaining the prestige of the "new class," the directors of the state enterprises and of the bureaucracy.

64. This picture presupposes a higher level of Bloc economic participation than presently exists, principally through the delivery of industrial plants and technical assistance in running them. It is likely that direction of the economy, especially the allocation and use of economic resources, will be either controlled or closely supervised by Bloc advisers.

65. Five Years -- Cuba has many of the economic resources which, together with increased Bloc material and technical assistance, could form the basis for gradual economic growth. Cuba's five-year plan, not yet available in detail, places emphasis on agricultural development and processing of agricultural commodities, expansion of many of the existing factories and establishment of plants for manufacturing components (both final consumption and production goods) needed by these factories, replacement of simple manufactured imports by domestic production, and development of the simple chemical industry. The plan also calls for two ambitious projects, an auto manufacturing plant and a steel plant, both for completion in 1965. The various projects appear to be within Cuban capabilities and, in the industrial sector, a continuation of the progress that was being achieved prior to the Castro regime.

66. Substantial implementation of the plan would probably accomplish many of Cuba's economic goals, including greater self-sufficiency in foodstuffs and minor manufactures, near-full employment, greatly reduced dependence upon sugar and its seasonal and cyclical implications, and a gradually improving standard of living. Although Cuba would presumably be closely tied to the Bloc, in many respects (i.e., trade, foreign technicians, requirements for Bloc-made machinery, foreign indebtedness) in the same

way it was long tied to the US, greater self-sufficiency in food-stuffs and less dependence upon sugar exports would probably render Cuba economically more independent and less vulnerable to foreign (including Bloc) economic actions.

67. The socio-economic structure would be considerably changed, in keeping with the Castro regime's stated goals. Effective opposition on economic grounds, depending of course on the government's success in achieving the above-described goals, will have been largely eliminated. Those persons who do not capitulate to the regime, either willingly or through some form of self-justification, will be either eliminated or in exile, as has occurred in the Dominican Republic.

68. Finally, Cuba will provide the Bloc with an example of successful defiance of the US and of the possibilities of Bloc-assisted economic development for its propaganda campaign in Latin America. This will be particularly irresistible if measurable improvement is made in the situation of the Cuban rural masses.

### III. CUBAN VULNERABILITIES

#### A. Economic

69. The Castro regime's major vulnerabilities over the short term include the foreign exchange shortage, the spare parts and

raw materials shortages, the lack of sufficient technical and managerial personnel, declining real per capita income, and consumer shortages and the growing black market. These vulnerabilities are interrelated, and in some instances, as the lack of foreign exchange, may be a causal factor in other vulnerabilities. The regime also suffers from other weaknesses, such as lack of overall economic coordination, the trend toward higher unemployment after the sugar season, etc.,

Reduction of Foreign Exchange Income

70. The Castro government is scheduled to receive only about \$18 million in convertible foreign exchange from its 1961 sugar sales to the Bloc, the balance being paid for in barter goods and services. Cuba expects to receive the balance of its roughly \$200 million in convertible foreign exchange for 1961 from sales of two million tons of sugar to the "world market" and of tobacco, molasses, and other agricultural products, principally to the US. Imposition of the "Trading with the Enemy Act" against Cuba would cut off the US as a source of foreign exchange earnings (Cuba's exports to the US now are at the level of approximately \$40 million

per year). This would also eliminate US exports of foodstuffs and medicines to Cuba, which probably could be largely replaced, although perhaps at a higher cost. A discriminatory policy by western European countries against Cuban sugar (which is unlikely) would reduce foreign income from those sources. Cuba also, however, sells considerable quantities of sugar to Japan, North African countries, and the Middle East. It appears that Cuba is already concerned over the low level of its foreign sugar sales income. It is probable, however, that the Bloc would act to provide minimum essentials and possibly supply some foreign exchange for Cuba's use in non-Bloc markets.

Acceleration of Industrial Breakdown

71. Replacement parts and raw materials shortages, as well as lack of sufficient managerial and technical personnel, are responsible for the factory shutdowns and dislocations in transport and communications. It is quite difficult for the Bloc to assist Cuba immediately in this type of problem, which in turn aggravates per capita productivity and income, employment, and prices. Some stopgap measures adopted by the Cuban Government for certain sectors of the economy are uneconomic, and over the long run increase the ratio between cost and value of output. For

example, the large-scale importation of Bloc motor vehicles is probably designed at least partly to fill the gap caused by the unreliability of many US-made vehicles.

72. A continuation of US export controls

would further hurt Cuba's industrial plant.

73. The foregoing would also serve to reduce slightly per capita income, as import capacity would be reduced and the cost of running the economy increased. They would also, presumably, reduce worker morale and slightly aggravate consumer shortages, although it is probable that minimum food requirements can be met from domestic production and the Bloc. These conditions would generate greater pressures for the black market, which could become a major source of increasing popular discontent.

74. It is not believed however that the economic vulnerabilities of the regime are great enough that, with the levels of exploitation described above, they would, by themselves, seriously endanger the stability of the regime. By the end of a year it is likely that the most serious of the weaknesses affecting economic viability will have been largely overcome, while the problems posed by continued consumer austerity, while possibly lessening, could still be controlled by the regime's security measures.



Blockade

77. Cuba, as a traditional export-import economy, is highly dependent upon imports for its economic survival. Petroleum and

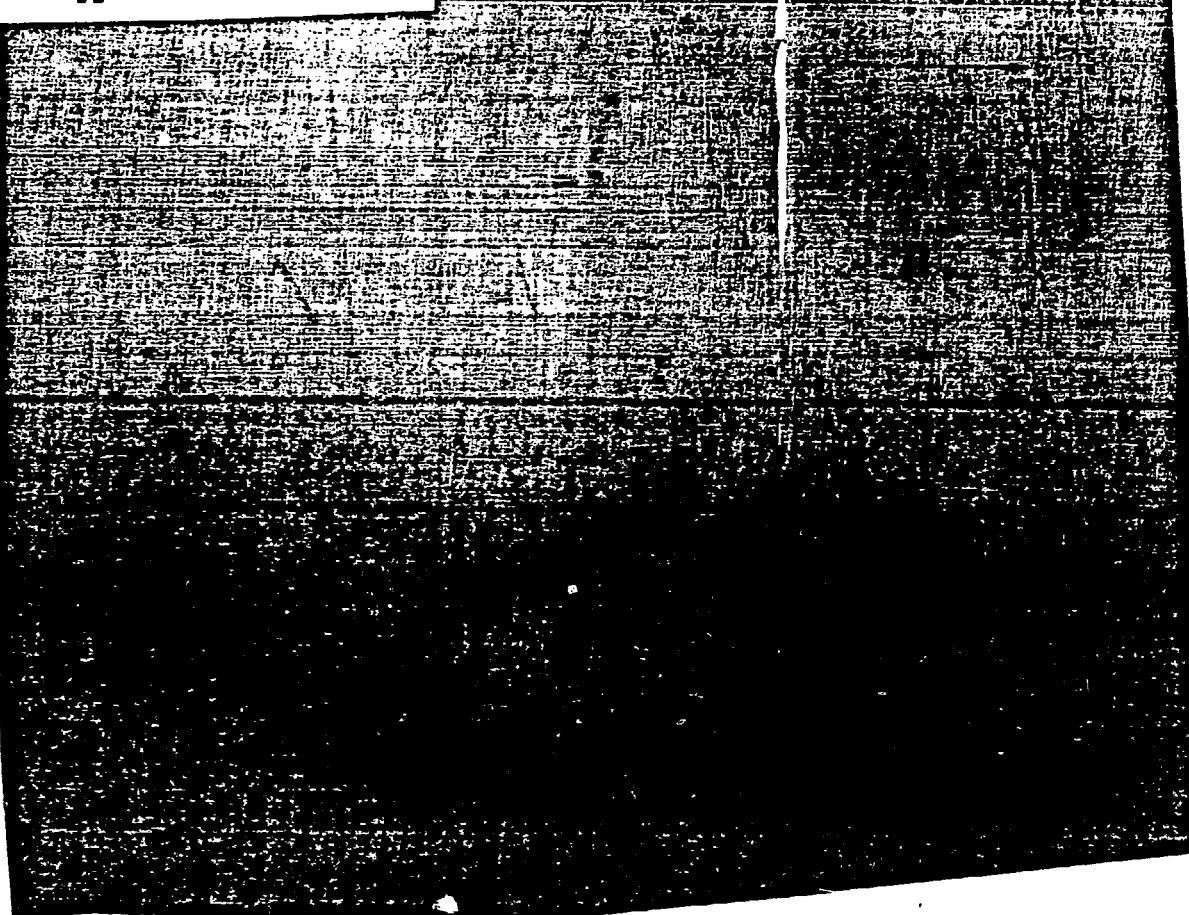
petroleum products are especially critical. The cutting off of POL during the "dead season" (the sugar mills generate considerable electric power during the harvest by burning bagasse), would in time cripple virtually the entire industrial sector and motorized military capability. Cuba could probably subsist on existing stocks of food, although at a rapidly declining level of per capita food intake, for several months, although distribution problems could cause major public disorders.

78. This paper does not purport to examine the possibilities of a direct Soviet-US confrontation in the event of a US-supported or a unilateral US total blockade, nor the impact of such action on our international position.

#### B. Political

79. Castro. A political vulnerability of the regime lies in the person of Castro himself. It is not clear whether the regime could continue to operate for long without him. There is no question that the bureaucracy operates relatively freely, and probably makes many decisions without consulting Castro. However, it is equally certain that the Castro personality and his appeal to the Cuban people is an important element in maintaining popular

support for the regime.



81. Castro's control of Cuba is highly dependent upon mass media communications for propaganda and utilization of his magnetic appeal for much of the voluntary support now accorded the regime.



82. Resentment Against the Police State. Popular resentment against the totalitarian controls imposed by the Castro regime has steadily increased. These controls include limitations on job transfers; limitations on the right to move freely from one point to another; and, enforced service in the militia. Almost all Cubans are subject to at least one of these controls.

[REDACTED] The character of the Castro police state is most clearly exemplified to the average Cuban -- particularly the city dweller -- by the informer system.



84.

#### IV. RELATIONS OF CASTRO WITH LATIN AMERICA

##### A. Nature and Extent of the Threat Posed by Castro

86. The threat posed by the Castro regime in the rest of Latin America stems ultimately from its inherent appeal to the forces of social unrest and anti-Americanism at a time when most of the area is in the throes of a fundamental economic, social, and political transformation, in which popular grievances and aspirations are rising and impatience with the old order and with the slow pace of progress and reform is growing. As a concrete instance of social revolution, carried out in defiance of the US and with the active support of the Sino-Soviet Bloc, the Castro regime has inevitably been of tremendous inspiration to the leaders of the radical left, furnishing them with powerful new arguments in their efforts to organize popular support among the growing mass of urban slum-dwellers and among the peasants. The widespread popular acclaim which Castro won throughout Latin America for his dramatic triumph over the generally detested Batista dictatorship initially contributed to this appeal.

87. Castro and the Communists have made assiduous efforts to capitalize on these assets. Over the last two years Cuba has

become the center of a propaganda and subversion campaign of unprecedented proportions in Latin America, aimed at winning Latin American support for the Cuban cause, at undermining the position of the US and the OAS, and at encouraging revolutions on the Cuban model. Both Castro and the Communists see the Cuban revolution not as an end in itself but as the prototype of a transformation which will eventually sweep over all of Latin America.

88. To these ends virtually all of the traditional techniques of the trade have been employed. The Cuban news service Prensa Latina, now joined by a newly completed 100,000-watt radio station, has spearheaded a propaganda effort which has blanketed Latin America with slanted news stories, pamphlets, and the like. Pro-Cuba and other front organizations have been set up, international conferences scheduled, and exchanges of individuals and delegations arranged. Cuban diplomats (like Soviet Ambassadors in the 1920's and like Peron's roving emissaries) have generally subordinated their purely representational responsibilities to the tasks of making contact with local leftist and anti-US elements, organizing popular support for the Cuban cause, and generally spreading the Cuban story.

89. Cuban representatives of one kind or another have been in touch with the Communists and at least the radical wings of other left-of-center groups throughout the hemisphere. The Cubans have almost certainly provided advice and encouragement for subversive activities in other countries, notably in Central America, Panama, Venezuela, and Peru. Except in the Caribbean area, clear-cut evidence of direct Cuban involvement has been lacking, and in some cases (e.g., Nicaragua) radical elements appear to be motivated by the Cuban example rather than by direct encouragement. There is little firm evidence that Cuba has taken an active hand in financing, equipping, and training revolutionary forces in or for use in other countries since its ill-fated filibustering ventures of mid-1959, though at least some training and indoctrination of individual leaders is certainly going on.

90. Castro and his supporters have thus far fallen short in their efforts to establish their domination over the forces of reform in Latin America and to mould them into powerful and unified movements capable of carrying out Cuban-style revolutions elsewhere. Indeed there is mounting evidence that Castro has dissipated much of the enthusiasm which initially greeted his regime elsewhere in the hemisphere. His actions have not only alienated the more

[redacted]

Moderate and conservative elements in Latin American society but, notably because of his heavy reliance on police state methods reminiscent to old-style Latin American dictatorship, have lost him the sympathy of a high proportion of those elements in the student and labor movements and in reform parties like APRA in Peru which accepted the need for sweeping economic and social reform. Active support for Castro is now largely confined to the far left element which is generally weaker than less extreme rival groups and has yet to develop broad mass support. Given the chaotic stage of Latin American politics, however, pro-Castro elements have a significant capability for stirring up demonstrations and disorders in a number of countries and in a few, largely because of the weakness and disorganization of rival forces, has at least an outside chance of gaining power within the next few years. Despite the opposition of most Latin American governments to Castro, many have been inhibited from expressions of open hostility toward Cuba by fear of stirring up adverse reactions by pro-Castro elements. Most Latin American governments have failed to appreciate the real threat posed by Castro's Cuba and have been unwilling to endorse OAS or direct US action to overthrow the Castro government.

B. Present Attitudes Toward Castro

91. In the aftermath of the recent invasion of Cuba, Latin American attitudes toward Castroism have become more fluid. The ruling groups temporarily are more fearful of the Soviet thrust in the hemisphere and less fearful of popular reaction in support of Castro. These attitudes could reverse quickly if, for example, the Guatemalan Government were overthrown by a locally-based coup reviving fears for political stability. On the other hand, a Cuban-backed coup would rally even stronger opposition to Castro among the Latin American ruling groups.

92. The OAS is now less hostile to US intervention in Cuba than before the invasion, but a majority of its members is not prepared to intervene actively even to the extent of joining in blockade measures. Nor could the organization be expected to give formal approval to any US intervention, barring direct Castro involvement in an attack on a Latin American government.

93. Even if the US should succeed -- as appears unlikely -- in persuading a majority of the Latin American states to join in a quarantine of Cuba, the attempt would not be fully successful. Mexico would be certain to refuse to cooperate and would serve as a

channel for travel and other communications between Latin America and Castro's Cuba. In view of this situation, several other states will be unlikely to risk adverse political repercussions domestically to accommodate the US request.

C. Probable Developments in the Absence of US Intervention

94. The magnitude of the threat posed by Castro and the Communists in other parts of Latin America will probably continue to depend fundamentally on the effectiveness of the Castro regime itself in consolidating its position and demonstrating the success of its approach to problems of reform and development and on the effectiveness of non-Communist elements in the countries concerned in providing workable and popularly acceptable alternatives. The danger is not so much that subversive apparatus centered in Havana will be able to export the revolution directly as that increasing misery and discontent among the mass of the Latin American people will provide opportunities for pro-Castro elements to act.

95. Within this context, however, the Cuban-Communist political warfare apparatus can obviously do much to further the process. At least for the present principal emphasis will probably continue to be placed on propaganda and agitation activities of the type

described above, though the Cubans will almost certainly take advantage of opportunities to provide guidance and encouragement in exploitation of promising situations as they arise and is likely to place increased emphasis on such activity as time goes on. With the progressive equipping of Cuba's own forces, it will acquire an increasing capability for furnishing arms, training, and other support for revolutionary elements in Central America and elsewhere. However, the Cubans will probably act cautiously in this regard for some time to come, in part because of the danger of US or other naval interception of any filibustering or military supply operations emanating from Cuba but even more because of the risk that exposure of any blatant Cuban intervention in the affairs of another Latin American country would result in a further hardening of official Latin American opinion against Cuba and provide possible grounds for OAS sanctions. For these reasons, and because of Castro's preoccupation with defense of his own territory at present, use of Cuba's own military forces to support insurrection elsewhere is extremely unlikely.

96. In the absence of direct Cuban intervention in the internal affairs of neighboring states, the present fears of Castroism among Latin American ruling groups will wane and traditional

nonintervention policies will be reasserted. With minor exceptions the Latin American governments will tend to resume the posture they held earlier and to resist US efforts for common action to contain the Castro threat.

97. The Soviet Union is expected to counsel Castro to avoid overt actions which would provoke US counteraction or which could be interpreted by the other Latin American governments as Cuban intervention in their domestic affairs. In particular, Moscow almost certainly will not favor, for some time to come, any drastic action by Castro to expel the US from Guantánamo or armed incursions by Castro forces against neighboring Caribbean states. At the same time the Soviets will expand the economic offensive, focussing perhaps / on areas where pro-Castro groups are strong, e.g., Brazil, Bolivia, Ecuador, and when conditions are more favorable, Venezuela and Chile. The Soviets will attempt to build up political deterrents to possible US or US-supported actions against Cuba by stimulating opposition to such actions among other Latin American and Afro-Asian states and by generating fears among US allies that intervention could lead to the spread of hostilities.

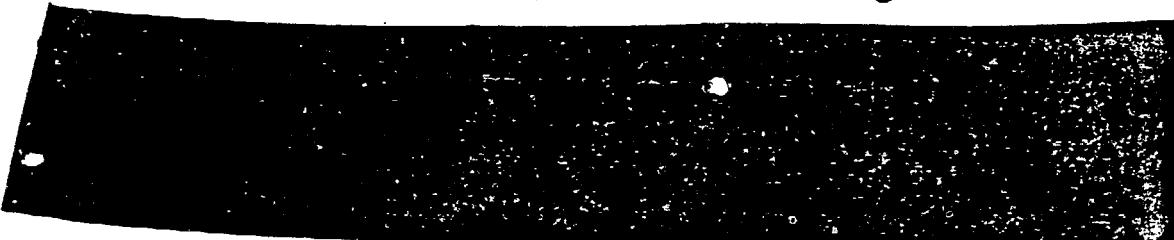
D. Effect on the US Position

98. The survival of the Castro regime would probably not in itself pose a direct threat to the immediate security of the US. The continued existence of the regime would, however, fundamentally alter the terms of Latin American relations with the US. US restraint in allowing the regime to survive would be interpreted generally by Latin American ruling groups as evidence of weakness and a demonstration of US unwillingness to use force against a Soviet-backed government. This would be true despite the frequently asserted opposition of Latin American leaders to US intervention in the affairs of any Latin American country and their refusal to take joint action to quarantine Cuba.

99. Aside from its direct effect upon US prestige in the area, the survival of Castro would have a profound effect on Latin American political life. It would set the stage for political struggle in terms long promoted by Communist propaganda in the hemisphere, with the issue drawn between "popular" anti-US forces and the ruling groups allied with the US. Governments willing to cooperate with the US would be faced by political leaders promising an immediate remedy to social wrongs through seizure of property

and overturn of the society. Evolutionary reform and improvement over a period of years, even at an accelerated pace, would be discounted as extremist leaders played on mass bitterness and distrust of the ruling groups. In these circumstances, political stability in Latin America would be seriously jeopardized.

100. In the atmosphere produced by Castro's survival, US efforts to promote social progress would encounter new difficulties as political leaders withheld their cooperation for programs involving domestic sacrifices and attendant political risks. In the circumstances the US Government would have to be prepared to underwrite huge welfare and economic development programs and to involve itself directly in their success, always under some threat of withdrawal of cooperation by the Latin American governments.



101. The expulsion of the Soviet-controlled regime from Cuba would deprive the Soviets of their bridgehead in the western hemisphere, and cripple the newly-expanded communications and propaganda network in the area. More important, this action would remove the model for political action by extremist groups and require much more generous Soviet outlays for less gains than can now be anticipated. In the social troubles of the area the Soviets would still have a multitude of weaknesses to exploit through propaganda and intrigue, even with the disappearance of the Castro regime. They would have achieved real gains over their early 1959 position. With the Latin Americans ready to give more credence to Soviet economic offers and leftists promises of overnight action on social reform, the Soviets could still look to expand their influence through an economic offensive and through pro-Communist forces mobilizing the protest vote. Soviet intrigue, economic offers and agitation would be significant in affecting political stability. But their ability to affect government cooperation with the US would be severely reduced.

As the direct influence of Soviet-Communist supported groups in

politics was reduced, the apparatus would have far less appeal to politicians and the rising generation as the vehicle to political power and a bargaining position between East and West.